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ST. JAMES PARISH SHERIFF
(AS EX-OFFICIO PARISH TAX COLLECTOR)
Convent, Louisiana

Financial Report

Year Ended June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/16/02

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INDEPENDENT AUDITOR'S REPORT

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff as
Ex-Officio Tax Collector
Convent, Louisiana

We have audited the accompanying financial statement of the Tax Collector Fund (agency fund) of the St. James Parish Sheriff for the year ended June 30, 2001 as listed in the table of contents. This financial statement is the responsibility of the St. James Parish Sheriff as Ex-Officio Tax Collector. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the accompanying financial statement presents information only on the Tax Collector Fund (agency fund). Further, the accompanying statement of collections, distributions, and unsettled balances has been prepared on a cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the collections, distributions, and unsettled balances of the Tax Collector Fund of the St. James Parish Sheriff for the year ended June 30, 2001, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 30, 2001 on our consideration of the Tax Collector Fund of the St. James Parish Sheriff's internal control structure and its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
August 30, 2001

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FINANCIAL STATEMENT

ST. JAMES PARISH SHERIFF
Convent, Louisiana
Tax Collector Agency Fund

Statement of Collections, Distributions, and Unsettled Balances
Year Ended June 30, 2001

Unsettled balances, June 30, 2000	<u>\$ 154,054</u>
Collections:	
Ad valorem taxes	23,454,683
Payment in lieu of taxes	1,373,732
State revenue sharing	445,742
Interest on -	
Delinquent taxes	9,907
Taxes paid under protest	3,838
Time deposit	60,896
Refunds and redemptions	25,088
Tax notices, etc.	5,990
Louisiana Tax Commission	4,772
Total collections	<u>25,384,648</u>
 Total	 <u>25,538,702</u>
Distributions:	
Louisiana Department of Agriculture	6,685
Louisiana Department of Treasury	602,143
LaFourche Levee Board	221,535
Louisiana Tax Commission	4,901
St. James Parish -	
Council	9,539,399
School Board	8,605,282
Clerk of Court	1,077
Sheriff	4,866,137
Assessor	323,985
Municipalities	124,710
Refunds and redemptions	30,506
Pension funds	645,242
Advertising costs	2,248
Total distributions	<u>24,973,850</u>
 Unsettled balances, June 30, 2001	 <u><u>\$ 564,852</u></u>

The accompanying notes are an integral part of this statement.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Financial Statement

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes and state revenue sharing funds.

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying financial statement reflects financial activity of the Sheriff relating only to his responsibility as ex-officio tax collector. Amounts included in this report are also included in the Sheriff's annual general purpose financial statements.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The accompanying financial statement has been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid.

(2) Interest-Bearing Deposits

State law authorizes the Sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected. At June 30, 2001, the Sheriff has interest-bearing deposits totaling \$564,852 (book balances). These deposit balances (bank balances), representing unsettled tax collections, are as follows:

Bank balances	<u>\$ 643,236</u>
Federal deposit insurance	100,000
Pledged securities (category 3)	<u>543,236</u>
Total	<u>\$ 643,236</u>

(3) State Revenue Sharing Funds

The revenue sharing funds received during the year were distributed as follows:

Louisiana Department of the Treasury	\$ 33,215
St. James Parish:	
Council	143,706
School Board	90,522
Sheriff -	
Law Enforcement District	55,499
Commission	88,261
Assessor	12,677
Municipalities	7,062
Pension Funds	14,800
Total	<u>\$445,742</u>

(4) Taxes Paid Under Protest

The unsettled balances at June 30, 2001, include \$228,919 of taxes paid under protest and interest earned to date on the investment of these funds. These funds are held pending resolution of the protest.

REQUIRED BY
GOVERNMENT
AUDITING STANDARDS

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff as
Ex-Officio Tax Collector
Convent, Louisiana

We have audited the financial statements of the Tax Collector Fund (agency fund) of the St. James Parish Sheriff for the year ended June 30, 2001, and have issued our report thereon dated August 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tax Collector Fund's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. James Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. James Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement. The reportable condition is described in the accompanying summary schedule of findings and questioned costs.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition described in the accompanying summary schedule of findings and questioned costs is a material weakness.

This report is intended for the information of management and is not intended to be and should not be used by anyone other than specified parties. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
August 30, 2001

ST. JAMES PARISH SHERIFF
(AS EX-OFFICIO PARISH TAX COLLECTOR)
Convent, Louisiana

Summary Schedule of Findings and Questioned Costs
Year Ended June 30, 2001

Part I. Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements.

A reportable condition in internal control was disclosed by the audit of the financial statements and the condition is considered a material weakness.

The audit did not disclose any instances of noncompliance which are material to the financial statements.

A management letter was issued.

Part II. Findings required to be reported in accordance with generally accepted Governmental Auditing Standards:

(a) Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

"Internal control is a process – effected by an entity's board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Part III. Findings and questioned costs for federal awards required to be reported in accordance with Office of Management and Budget Circular A-133:

not applicable

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Summary Schedule of Prior Audit Findings
Year Ended June 30, 2001

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	

Section I - Internal control and compliance material to the financial statements.

Compliance

No items are applicable to this section.

Internal Control

99-1(IC)	Unknown	Inadequate segregation of functions within the accounting system.	No	See corrective action plan for current year findings
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Convent, Louisiana

Corrective Action Plan for Current Year Findings
Year Ended June 30, 2001

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
<u>Section I - Internal control and compliance material to the financial statements.</u>				
<u>Compliance</u>				
No items are applicable to this section.				
<u>Internal Control</u>				
99-1(IC)	Inadequate segregation of functions within the accounting system.	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A